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## Retiree Cost-of-Living Adjustment Set at 2% for January 2014

At the August 26, 2013 Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees' meeting, the Board voted to provide a 2% cost-of-living adjustment (COLA) for all eligible benefit recipients, effective January 2014. The Consumer Price Index for Urban Consumers (CPI-U) for July 1, 2012 to June 30, 2013 was 1.8%.

A Funding Stabilization Policy was adopted by the Board in 2011. Under this policy, in years when the change in the CPI-U for the preceding fiscal year (July 1 to June 30) is between 0% and 5%, a 2% COLA is given.

"We are pleased that the Funding Stabilization Policy is working the way we intended," said PSRS/PEERS Executive Director Steve Yoakum. "It allows us to provide retirees a COLA during times of inflation."

According to the policy, if the change in the CPI-U is 0% or less no increase can be given. If it is 5% or more, the Board is required to give a 5% increase providing extra protection in times of high inflation.

Change in CPI-U	COLA
0% or less	0%
Between 0% and 5%	2%
5% or more	5%

### Who is Eligible for COLAs?

Eligible service and disability retirees may receive cost-of-living adjustments (COLAs) on monthly benefits beginning the fourth January following their retirement date. For example, if you retired July 1, 2013, you will become eligible for COLAs in January 2017. Qualified beneficiaries may also receive COLAs.

PEERS members who retired in 1987 and earlier have reached the 80% COLA cap, and are no longer eligible for a COLA. Individuals who retired in the years 1988 through 2010 will receive a 2% COLA increase effective with their January 31, 2014 benefit.

January 2014 COLA Eligibility	
Retired in 1987 and earlier	You have reached your 80% COLA cap
Retired in 1988-2010	2% COLA
Retired in 2011-2013	Not yet eligible for a COLA

## PEERS Fiscal Year 2012-2013 Investment Return Exceeds Goal, Adds Almost \$350 Million in Assets

### PEERS Returns: 12.3%

PEERS' strong investment program, coupled with strong overall returns in the global stock market, resulted in the achievement of a 12.3% investment return for the fiscal year ended June 30, 2013. This return is well above the 8% investment return goal set by the System. The PEERS' market value of invested assets increased through investment earnings by almost \$350 million from the previous year.

The total plan return of 12.3% exceeded both the long-term investment goal (actuarially assumed return) of earning 8%, and the total plan policy benchmark\* return of 11.2%. Over long periods of time, PEERS also continues to produce investment returns that meet or exceed the System's objectives. The annualized investment return for PEERS over the last 30 years is 9.2%.

### 2012-2013 Investment Results

PEERS Investment Return .....	12.3%
PEERS Return Goal .....	8.0%
Benchmark Return .....	11.2%

For the year, the PEERS internal investment staff and external investment managers added almost \$40 million in value above the policy benchmark, net of all fees and expenses.

"Our goal is to provide solid retirement benefits to our members," says Steve Yoakum, PSRS/PEERS executive director. "Our internal investment staff continues to skillfully navigate volatile markets and produce competitive returns at a lower level of risk than most large public pension plans throughout the country. This year, we added significant value above our benchmarks, which helps maintain consistent contribution rates for all of our members and school districts."

PEERS maintains a diversified asset allocation of stocks, bonds, real estate, hedged assets and private equity.

### 2012-2013 Returns By Asset Class

U.S. Stocks .....	22.7%
Global Stocks .....	16.3%
Private Equity .....	14.6%
Real Estate .....	11.9%
Hedged Assets .....	8.2%
Treasuries .....	-1.8%

The market value of invested assets for PEERS and the Public School Retirement System of Missouri (PSRS) combined were approximately \$33.5 billion on June 30, 2013, making the joint entity larger than all other public retirement plans in Missouri combined, and the 45<sup>th</sup> largest defined benefit plan in the United States. For the most recent PSRS/PEERS investment news, visit us on the web at [www.psrs-peers.org](http://www.psrs-peers.org).

\*The plan policy benchmark is the rate of return achieved by a group of stocks and bonds with overall performance used by investors like PEERS as a standard to measure investment performance.





# 2013 Missouri Legislative Session: No Legislation Directly Affecting PEERS Retirees

The 2013 Missouri Legislative Session officially ended May 17 with no legislation passed impacting benefits received by Public Education Employee Retirement System of Missouri (PEERS) retirees and beneficiaries.

For active members, legislation was passed making the 25-and-Out early retirement provision a permanent retirement option. This provision took effect August 28, 2013.

## Benefit Statements and Forms 1099-R to Mail in January

### Your Annual Benefit Statement

In January, you will receive your annual PEERS *Benefit Statement*. The *Benefit Statement* is a comprehensive summary of your PEERS account and your monthly benefit as of January 31, 2014. This important document is a record of your:

- Benefit amount
- Tax information and withholding amounts
- Benefit plan and benefit history
- Cost-of-living adjustments (COLAs)
- Beneficiary designation

Get immediate access to this information anytime by logging in to your personal account at [www.psrs-peers.org](http://www.psrs-peers.org). Online information is updated daily.

### IRS Form 1099-R

Your 2013 IRS Form 1099-R will also mail in January. You will need this form when filing your 2013 tax returns. Your annual Form 1099-R shows the total funds you received from PEERS in calendar year 2013, the taxes withheld and the dollar amounts considered taxable income. If you have a professional tax advisor, we suggest that you make this information available for his or her review.

### Income Tax Contact Information

The PEERS staff does not offer individual tax advice or information. Questions concerning taxes should be directed to a tax professional or to the appropriate taxing agency.

**Federal Taxes**  
The Internal Revenue Service (IRS)  
(800) 829-1040  
[www.irs.gov](http://www.irs.gov)

**Missouri Taxes**  
The Missouri Department of Revenue (DOR)  
(573) 751-3505  
[www.dor.mo.gov](http://www.dor.mo.gov)  
[Email.income@dor.mo.gov](mailto:Email.income@dor.mo.gov)

If you need a duplicate copy of your Form 1099-R, you can find it online beginning January 31 by logging in to your PEERS to request one after January 31, 2014.

## William Compere Appointed to Board of Trustees

**W**illiam Compere of Springfield was appointed to the PSRS/PEERS Board of Trustees July 9, 2013 by Governor Jay Nixon. He will serve a four-year term ending June 30, 2017.



Compere replaces Donald Cupps, whose term expired.

Compere comes to the Board with almost 50 years of experience in accounting, commercial real estate and public service in the Springfield area. This experience includes 45 years as an accounting professional and more than three decades

as a partner of accounting firms, with experience handling numerous audits of state government agencies.

“We are pleased to welcome Bill to PSRS/PEERS,” said PSRS/PEERS Executive Director Steve Yoakum. “His extensive financial background and dedication to public service make him a valuable addition to the Board.”

Compere served as treasurer for Greene County, Missouri from February 2011 to December 2012. Prior to his public service, Compere was a realtor for CJR Commercial Group from November 2005 to November 2010. He served as executive director of Urban Districts Alliance, Inc. from July 2000 to September 2003 providing oversight and assistance for Center City redevelopment projects and programs.

He was a founder and partner at Compere and Robinette, CPAs from 1983 to June 2000, and served as a partner at three other CPA firms between 1963 and 1983.

Compere holds a Bachelor of Science degree in Business (Accounting) and Economics/Sociology from Missouri State University in Springfield, and is a certified CPA.

### Board Leadership for 2013-2014 School Year

At the April 8, 2013 Board of Trustees meeting, Board members re-elected Dr. Aaron Zalis, superintendent of Rolla Public Schools and an elected PSRS member, to serve as chair. They also elected Jason Hoffman, chief financial officer at Jefferson City Public Schools and an elected PEERS member, to serve as vice chair. Both will serve in these leadership positions for the school year beginning July 1, 2013 and ending June 30, 2014.



**Dr. Aaron Zalis**



**Jason Hoffman**

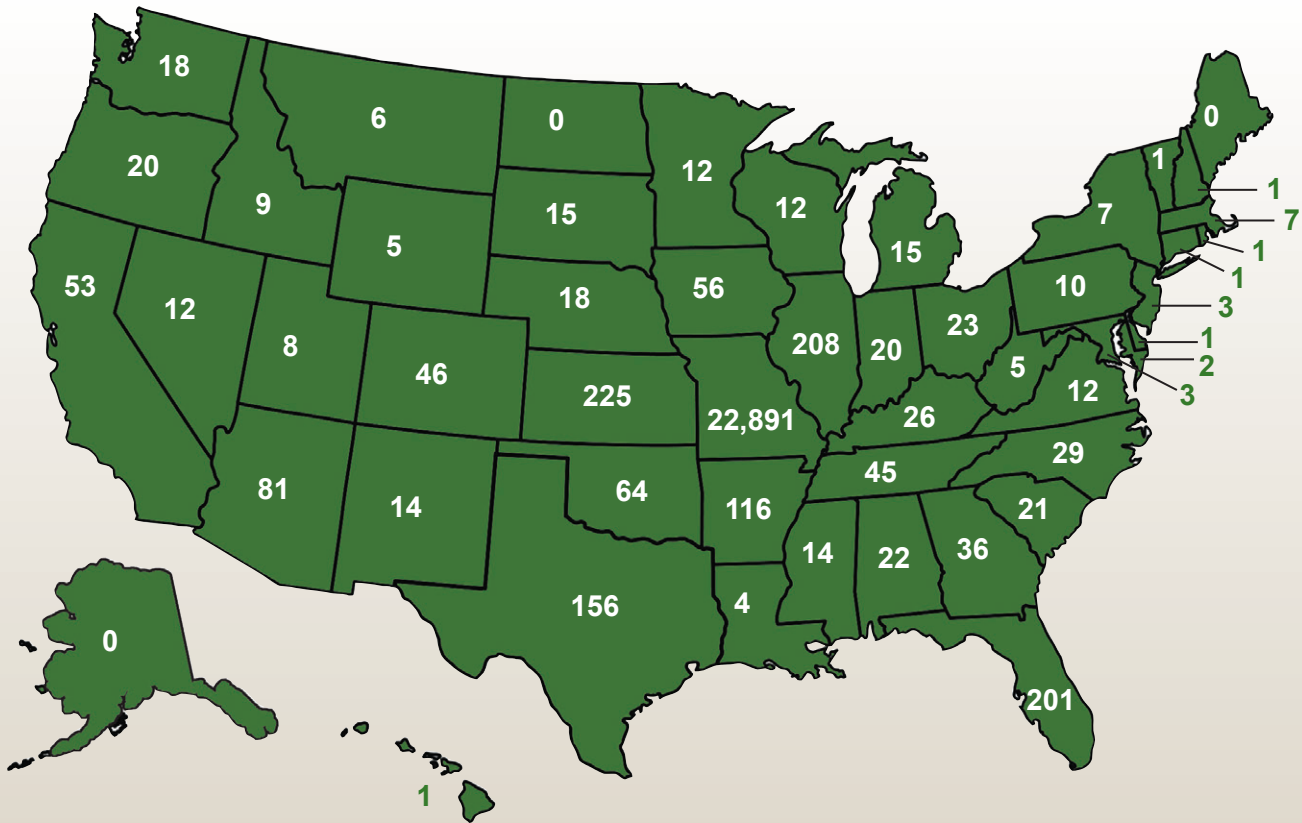
## 2014 Direct Deposit Schedule

2014 Direct Deposit Schedule	
Payment for:	Will be Deposited:
January	January 31
February	February 28
March	March 31
April	April 30
May	May 30
June	June 30
July	July 31
August	August 29
September	September 30
October	October 31
November	November 28
December	December 31

Your benefits are paid by direct deposit on the last working day of each month. The schedule of direct deposit dates can also be found on our website, [www.psr-peers.org](http://www.psr-peers.org).



## Where Do PEERS Retirees Live?



Total PEERS Retirees Living Inside the U.S.: 23,255

PEERS Retirees Living Outside the U.S.: 5

July 2013

## A Snapshot of PEERS Retirees

PEERS retirees and the benefits they receive are important to the economic health of our state. Retirees often spend benefits at or near home, fueling local economies and helping stimulate growth at the community level. In many Missouri counties, PEERS could be considered one of the state's largest employers, based on the benefits (wages) paid and their positive financial impact.

Each year, about half of all PEERS retirements occur in July. Here is a quick look at our 2012-2013 school year retirees. *Congratulations to all!*

### Snapshot of New PEERS Retirees

Total New Retirees .....	1,625
Average Years of Service .....	16.3
Average Age at Retirement .....	63
Average Final Average Salary (FAS) .....	\$2,641
Average Single Life Benefit .....	\$763

## Don't Jeopardize Your Benefits! Know the Rules When Working After Retirement

**A**s a PEERS retiree, you can work for a covered employer. However, in order to continue to receive retirement benefits, there are requirements you must meet.

Requirements for working after retirement for PEERS-covered employers:

1. Properly terminate employment at retirement.
2. Follow the limit on hours worked.
3. Keep a record of your hours worked.

### Proper Termination of Employment at Retirement

In addition to meeting the eligibility criteria for retirement, you must also properly terminate your employment with PEERS-covered employers before you can receive benefits. In some cases, working too soon after retirement or entering an employment contract or retirement incentive can prevent you from properly terminating your employment. If you are a recent retiree, be sure you meet the termination requirements detailed in the packet you received at retirement. **If you do not properly terminate employment, you are not eligible to receive benefits. Any benefits you receive while ineligible must be repaid, including a Partial Lump Sum Option (PLSO) payment.**

### Limits on Hours Worked

Once a month has passed since your PEERS retirement date, you may work for covered employers on a part-time or temporary-substitute basis, **for a maximum of 550 hours each school year** (July 1 - June 30).

**If you retire in a month other than July, your limit on hours is pro-rated** and will be less than 550 hours for the year you retire. We will inform you of your personal limit when you return to work. You can also find a chart detailing pro-rated limits at [www.psrs-peers.org](http://www.psrs-peers.org) or in your *Member Handbook*. Your limit will increase to 550 hours for all subsequent school years of post-retirement work.

All employment with PEERS-covered employers counts toward this limit. Hours that you volunteer while also serving in a paid position may count, unless the duties are substantially different.

### Record-Keeping Requirements

All retirees working for covered employers are required to maintain a *Working After Retirement Record* form tracking hours worked each month at each covered employer. Keep them on file, but don't send them to us unless we request them.

We will send you a copy of this form when you return to post-retirement work with a covered employer, or you can find one at [www.psrs-peers.org](http://www.psrs-peers.org).

Your employer is also required to track your hours. We can request access to these records at any time. If there are discrepancies, your employer's records are considered official. Therefore, it is in your best interest to discuss with your employer how to track your work and check periodically to ensure your records agree.

### Don't Jeopardize Your Retirement Benefits

The penalty for exceeding the limit on hours worked for covered employers can be costly. Exceeding the limit by any amount will cause you to lose, at minimum, one full monthly benefit.

Your work for non-PEERS-covered employers is not restricted.

If you have questions about the working after retirement rules please visit our website and view the brochure, *Working After Retirement*, or contact us at (800) 392-6848 or email [psrspeers@psrspeers.org](mailto:psrspeers@psrspeers.org).





## Important Information for Joint-and-Survivor Benefit Plan Recipients

If you selected a Joint-and-Survivor benefit plan at retirement, your monthly benefits are reduced so that your sole beneficiary can receive lifetime monthly benefits after your death. Joint-and-Survivor plans can be a good choice for members whose beneficiary, often a spouse, will have limited retirement income from other sources.

However, as a Joint-and-Survivor plan recipient, don't forget these important facts about your benefit plan:

1. If your beneficiary dies before you, your benefit amount increases (pops up) to the larger, Single Life benefit amount, adjusted with any increases since your retirement. You should contact us at the time of your beneficiary's death so that we can increase your benefit.
2. You can change your Joint-and-Survivor beneficiary for monthly benefits if:
  - a. You have named your spouse as your Joint-and-Survivor beneficiary for monthly benefits, and
  - b. You divorce and your divorce decree gives you sole rights to your benefit, or your spouse dies, and
  - c. You remarry and name your new spouse as your Joint-and-Survivor beneficiary within **90 days** of the marriage.

### Do Your Family Members Know You Have a PEERS Pension?

Although no one wants to think about making final arrangements, eventually we all must face the task.

Don't forget to include PEERS on the list of organizations your family should contact in the days following your death.

In the event of your death, your family should notify us as soon as possible so we can update your account and provide information on benefits payable to your beneficiary(ies).

**If you divorce and remarry and don't name your new spouse within those 90 days, your ex-spouse will receive benefits at your death.**





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# PEERS BENEFIT Check

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## Questions? We're Here to Help

During the 2012-2013 school year, the PSRS/PEERS Information Center responded to 80,368 telephone calls and 5,527 emails from members and retirees. If you have questions, contact us at **(800) 392-6848** or email [psrspeers@psrspeers.org](mailto:psrspeers@psrspeers.org).

